

DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

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**Low-Income Home Energy Assistance Program (LIHEAP) Service Providers
Committee Meeting
Wednesday, August 25, 2004
Community Services and Development (CSD) - King Conference Room**

Roll Call:

Central Coast Energy Services
Central Valley Opportunity Center
City of Berkeley
Community Action Agency of San Mateo County, Inc.
Community Action Partnership of San Bernardino County
Community Enhancement Services
Community Resource Project, Inc.
County of Riverside, Department of Community Action
Economic Opportunity Commission of San Luis Obispo, Inc.
Economic Opportunity Council of San Francisco
Glenn County Human Resource Agency
Great Northern Corporation
Kings Community Action Organization, Inc.
Maravilla Foundation
Mariposa County Housing and Community Development Agency
Merced County Community Action Agency
Metropolitan Area Advisory Committee
North Coast Energy Services
Pacific Asian Consortium in Employment
Redwood Community Action Agency
San Benito County, Department of Community Service and Workforce Development
San Joaquin County Department of Aging, Children's and Community Services
Self-Help Home Improvement Project, Inc.
Spectrum Community Services, Inc.
Ventura County, Commission on Human Concerns
Veterans in Community Services, Inc.

Call to Order/Roll Call

Chair Lois Carson called the meeting to order at 10:15 a.m., and roll call was taken. A quorum was established.

Approval of Minutes

The Minutes of the May 5, 2004, meeting in Oakland were approved.

Chair's Comments

Chairperson Lois Carson mentioned that the national convention will be held in Washington D.C. the first week in September. Elections will be held, with Biz Steinberg running for Region IX Representative.

Lois reported that she conducted workshops in St. Louis on her agency's summer crisis response program, which includes cooling centers situated in donated space throughout Riverside County. She encouraged agencies to get more involved and stay attuned to the issues. She said that Representative Bono is involved and there's a need to get more warm weather state legislators and local officials to join in our efforts. Director Dayonot noted that CSD has been supporting Riverside's cooling centers as a demonstration project.

Director's Comments**Staff Recognition**

Director Timothy Dayonot recognized two CSD staff who have been stationed in Iraq and other foreign countries and have returned to the U.S. Veronica Tayo has just returned to her position as Field Representative, and Ray Anthony, who is still recovering from injuries, is expected to return in coming months.

Lead Hazard Control Program

CSD has applied for Housing and Urban Development's (HUD) Lead Hazard Control Program.

Naturalization Services Program

Director Dayonot announced that the Naturalization Services Program has been funded at \$1.5 million. The Request For Application is in development with expected release before the end of September. The contract term will run from December 2004 through November 2005. There will be some differences from previous programs due to the reduced appropriation.

Federal Funding

Tim stated that there are no final funding figures at this time. It appears there could be a slight increase in the energy programs, and potentially a significant cut in the Community Services Block Grant (CSBG) Program. He noted that CSBG State Law requires that CSD go to the Legislature if there's a reduction of five percent or more. He mentioned that the federal associations are working vigorously to garner support for these programs.

Children's Activity Book

Racquel Medina reported that CSD is developing a Children's Activity Book. It is

designed for young children, under 10 years of age, to teach children about and promote energy conservation. Activity books will be distributed via formula to LIHEAP agencies, and libraries, and we eventually would like to make it available on our website. The cost is \$35,000 for 60,000 books; CSD is using administrative dollars for this purchase. If agencies would like to purchase additional books this can be arranged, and books can be personalized with the agency's name. The first printing will be in the English language. We can look into translating this into other languages. Contact Racquel at (916) 341-4304 if you have any questions.

U.S. Environmental Protection Agency (EPA) Workshop

Tim recently attended a workshop and provided technical assistance on how the various energy discount programs are administered. The EPA is exploring low-income discounts on water and sewer charges. Lois mentioned that her agency frequently receives client inquiries seeking assistance with these costs.

LIHEAP State Plan

The LIHEAP State Plan hearing was held. No comments were received. The State Plan will be submitted to federal Health and Human Services prior to the end of August.

Emergency Assistance

Tim announced that CSD provided a \$57,000 CSBG Discretionary grant to San Joaquin Department of Aging to assist the families who were impacted by the flood secure housing.

Staff Reassignments

Effective August 1, 2004, John Ochoa assumed responsibility for Field Operations and Maxine Duruisseau assumed the Program Development and Support responsibilities.

Non-IOU Combustion Appliance Safety (CAS) Testing

Tim would like the propane industry to contribute to CAS testing in households where non-traditional heating sources are used. He is working with a consultant who is producing a study on wood, propane and oil issues in order to help him develop an appropriate strategy.

Regulations Update

The State LIHEAP regulations have not been updated for several years and are out-dated. CSD has begun the process with the intent of updating the regulations this year. There will be plenty of time for review and comment. A public hearing will also be scheduled.

Training

Maxine Duruisseau distributed a handout (Attachment 1) that describes CSD's upcoming training plan. The Mid-Winter Workshop is anticipated to be held in February. Trainings will be targeted to audiences. CSD also proposes to provide on-going training and technical assistance through CD-Rom Tutorials, web-based training, and distance learning. Please contact Maxine at (916) 341-4272 if you have any comments or questions.

Monitoring

John Ochoa described enhancements to CSD's monitoring process. Our goal is to look at the agency as a whole, streamline processes, and make time spent with agencies as productive as possible. More emphasis on monitoring grantees is being discussed at the federal level and in the Reauthorization. CSD is reviewing how other states handle their monitoring responsibilities and reviewing/revising our monitoring tool. We are in the process of drafting and piloting a new Audit/Fiscal Review Guide, Cash Assistance Guide, and Weatherization Review Guide. These new tools will become operational in 2005. The guides will be provided to the agencies so they will know what we will be reviewing during our visit. Val Martinez asked if there would be an opportunity for input on the new guides. Tim stated that they will be posted on our website, and comments can be submitted.

The Chair commented that she was pleased with the monitoring presentation and the leadership of CSD on this issue.

Labor Rate

Wendy Wohl discussed the proposed variable labor rate and described the processes the Weatherization Reimbursement Team had used in developing the new model (Attachment 2). Jayson Wimbley discussed the new Travel Reimbursement Policy (Attachments 3, 4) and Energy Crisis Intervention Program (ECIP) Fast Track (F/T) Benefit Determination Policy (Attachment 5). Many costs, which were buried in the old labor rate, were pulled out for actual reimbursement such as eight percent for administrative costs, worker's compensation, liability insurance, major equipment purchase, and a service charge for travel. We will try this and assess how it's working. Val Martinez commented on the excellent job working with the network, the tremendous compromise on both sides, and that the improvements will allow agencies to cover costs, and also build in accountability. Some agencies mentioned that they are self-insured for Worker's Compensation and wondered how that would be handled. Jayson said this would be set aside for discussion at the October 5-6 meeting. Automobile insurance may also need to be discussed further.

ECIP/Furnace Repair & Replacement

Jayson stated that a recent review indicates that we're not being consistent in our policies with state law. Cooling needs should be taken into consideration along with heating. CSD will allow repair and replacement of air conditioners and swamp coolers in 2005. In the future, 2006 possibly, we'll take a look at gas water heaters. CSD will also be defining what constitutes an emergency.

ECIP F/T

Currently ECIP F/T payments consist of the HEAP payment amount plus \$50. In 2005, CSD proposes to eliminate this increased payment amount and will allow agencies to determine the amount of the supplement to the HEAP payment, based on the household's situation, up to a \$1,000 cap. Val Martinez said that she liked the flexibility at the local level; however, she commented that the formulas will have to be built into the priority plan.

Weatherization Reimbursement Team

The next meeting to finalize policies will be held October 5-6. Final drafts will be presented for incorporation into the 2005 contract. Field Operations protocols will also be reviewed.

Proposed Meeting with Pacific Gas and Electric (PG&E)

Tim asked that agencies email any issues related to PG&E to him so that he can set up a meeting. He plans to share the issues with PG&E prior to the meeting so they will be prepared to discuss the issues at hand. Tim's email address is tdayonot@csd.ca.gov.

California Performance Review (CPR)

Tim briefly described the CPR report, which culminated in hundreds of recommendations to the Governor on making improvements in customer service and streamlining state government. The Governor has made it clear that he wants input and comments on the proposals. Comments should be submitted to cprchhs@chhs.ca.gov. Tim commented that the problem is not new ideas, but getting the old ideas out. He encouraged open-mindedness and asked for comments on three recommendations that have relevance to CSD; fair share of federal funding, reducing costs through internet forms, and elimination of the Low-Income Oversight Board (LIOB).

Fair Share: While committee members were generally supportive of getting California's fair share of funding, there was recognition that it would be politically sensitive with high potential for no return on investment, and that the effort should be weighed against the potential for success.

Internet Forms: Committee members cautioned that clients may not have access to the internet, and raised concerns about potential costs (workload increase and infrastructure) that may have to occur.

Elimination of LIOB: The network fought hard for the establishment of the LIOB so their low income-clients would have a voice and access to the Public Utilities Commission (PUC) and the utility companies. The LIOB gives direct access, demystifies the process, and puts the utilities on notice that there is an advocacy body to bring concerns to. Members strongly supported continuation of the LIOB, which is not supported with General fund dollars.

Lorna Fong, Assistant Secretary of Health and Human Services Agency attended the CPR presentation and encouraged attendees to take time to review the recommendations and reminded them they have a very small window of opportunity to offer comments. She asked the committee to identify how recommendations could work, and share creative solutions. Final recommendations are due to the Governor's Office on September 7.

CPR Organizational Change

The CPR report (Attachments 6, 7) recommends that CSD be transferred to a unit under the Division of Social Services, under the Secretary of Health and Human Services. Concerns were expressed that CSD may lose its visibility buried within the division, and that it should be the model, or the lead, under which other programs should operate. CSD is unique and it should not lose its ability to be responsive. Concern was expressed that a new system may hold up processes. Cheri Hagen commented that the proposed structure may offer an opportunity to work collaboratively, blend services, and maximize dollars. Lois provided handouts from the CPR meeting she attended at U.C. Riverside (Attachments 8, 9, 10).

Information Technology (IT) Automation Update

Ed Lee provided a progress report on automation (Attachment 11). An assessment has been completed and projects have been prioritized. Weatherization automation is a priority, however, the scope must be determined. Consensus was reached that the Weatherization Reimbursement Team would scope out the automation of the weatherization component. Ed asked the committee to review the California LIHEAP Automated Services System (CLASS) team membership (Attachment 12) and solicited new members. If interested in becoming a new member, Ed can be reached at (916) 341-4311 or at elee@csd.ca.gov.

Old Business

None.

New Business

None.

Adjournment

Chair Lois Carson adjourned the meeting at 1:00 p.m.

Department of Community Services & Development (CSD) 2005 Regional Training Workshops & Sub-Regional Training Sessions

➤ Why the need for Workshops?

1. Inform

- Contract Provisions & Reporting Requirements
- Policy and Program Updates
- Strategic Planning and Board Training
- Share Best Practices
- Special Speakers
- Specialized Training

2. Network

- Develop and strengthen working relationships with CSD and Agency Staff
- Coordinate and collaborate activities and projects

➤ Objectives

1. Assure compliance with provisions of Federal and State Laws and Regulations.
2. Assure contractors meet performance goals, administrative standards, and management requirements.
3. Assure that CSD accomplishes its statewide goals and objectives.

➤ Track 1: Mid-Winter Statewide Training & Technical Assistance Workshops

- Once a year
- 1, 2, or 3 Sites (Tentative sites: Sacramento and Ontario)

- Mid-Winter (February)
 - Target Audience: Executive Directors, Program Managers, Accounting Executive/Administrators, and Board Members
- Track 2: Sub-Regional Training & Technical Assistance Sessions
- Once a year
 - Multiple Training Sites hosted by local CAAs
 - 1 Day
 - Following Mid-Winter Statewide Training
 - Target Audience: Program Managers, Line Staff, Crew Members, and Intake Workers
- Track 3: Ongoing Training and Technical Assistance
- CD Rom Tutorial Assistance
 - Web-based Training
 - Distance Learning
- Track 4: Program & Policy Forums
- LIHEAP Providers Committee
 - CSBG Advisory Committee
 - Both forums will provide ongoing program and policy input for Executive Directors.

PY 2005 and PY 2006 Labor Rate Cost Model

COSTS BUILT INTO HOURLY RATE															
	1	2		3	4		5	6		7	8		9	10	11
Agency	Basic Crew Hourly Rate	Basic Crew Plus Benefits		Supervisor Hourly Rate	Supervisor to Crew w/o Benefits		Support Staff Hourly Rate	Support to Crew w/o Benefits		Hourly Rate w/o Benefits	Hourly Rate w/ Benefits		OE&E	Downtime	Hourly Rate w/ Benefits OE&E & D.T.
		30%			31%			33%			30%		20%	18%	
San Benito	\$ 15.70	\$ 20.41		\$ 26.42	\$ 8.18		\$ 13.48	\$ 4.49		\$ 28	\$ 37		\$ 7.38	\$ 3.67	\$ 48
San Bernardino	\$ 15.17	\$ 19.72		\$ 25.79	\$ 7.98		\$ 13.48	\$ 4.49		\$ 28	\$ 36		\$ 7.19	\$ 3.55	\$ 47
MAAC	\$ 14.81	\$ 19.25		\$ 27.31	\$ 8.46		\$ 13.48	\$ 4.49		\$ 28	\$ 36		\$ 7.22	\$ 3.47	\$ 47
San Francisco	\$ 17.92	\$ 23.30		\$ 31.60	\$ 9.78		\$ 13.48	\$ 4.49		\$ 32	\$ 42		\$ 8.37	\$ 4.19	\$ 54
San Joaquin	\$ 17.22	\$ 22.39		\$ 26.17	\$ 8.10		\$ 13.48	\$ 4.49		\$ 30	\$ 39		\$ 7.75	\$ 4.03	\$ 51
San Luis Obispo	\$ 13.70	\$ 17.81		\$ 28.27	\$ 8.75		\$ 13.48	\$ 4.49		\$ 27	\$ 35		\$ 7.01	\$ 3.21	\$ 45
San Mateo	\$ 17.92	\$ 23.30		\$ 31.60	\$ 9.78		\$ 13.48	\$ 4.49		\$ 32	\$ 42		\$ 8.37	\$ 4.19	\$ 54
Santa Barbara	\$ 14.90	\$ 19.37		\$ 24.62	\$ 7.62		\$ 13.48	\$ 4.49		\$ 27	\$ 35		\$ 7.02	\$ 3.49	\$ 46
ESO	\$ 20.19	\$ 26.25		\$ 31.40	\$ 9.72		\$ 13.48	\$ 4.49		\$ 34	\$ 45		\$ 8.95	\$ 4.72	\$ 58
Central Coast	\$ 15.71	\$ 20.42		\$ 26.62	\$ 8.24		\$ 13.48	\$ 4.49		\$ 28	\$ 37		\$ 7.40	\$ 3.68	\$ 48
SHHIP	\$ 13.85	\$ 18.01		\$ 23.41	\$ 7.25		\$ 13.48	\$ 4.49		\$ 26	\$ 33		\$ 6.65	\$ 3.24	\$ 43
Great Northern	\$ 13.18	\$ 17.13		\$ 21.80	\$ 6.75		\$ 13.48	\$ 4.49		\$ 24	\$ 32		\$ 6.35	\$ 3.08	\$ 41
CVOC	\$ 15.74	\$ 20.46		\$ 25.55	\$ 7.91		\$ 13.48	\$ 4.49		\$ 28	\$ 37		\$ 7.32	\$ 3.68	\$ 48
CSET	\$ 14.43	\$ 18.76		\$ 24.13	\$ 7.47		\$ 13.48	\$ 4.49		\$ 26	\$ 34		\$ 6.86	\$ 3.38	\$ 45
Ventura	\$ 16.74	\$ 21.76		\$ 26.29	\$ 8.14		\$ 13.48	\$ 4.49		\$ 29	\$ 38		\$ 7.64	\$ 3.92	\$ 50
CA Statewide	\$ 16.44	\$ 21.37		\$ 27.84	\$ 8.62		\$ 13.48	\$ 4.49		\$ 30	\$ 38		\$ 7.68	\$ 3.85	\$ 50

[illegible]

Column 1 - Taken from the Occupational Employment Statistics Survey Results as released by EDD in June 2004 (SOC Code 49-9042: Maintenance and Repair Workers, General - Perform work involving the skill of two or more maintenance or craft occupations to keep machines, mechanical equipment, or the structure of an establishment in repair. Duties may involve pipe fitting; boiler making; insulating; welding; machining; carpentry, repairing buildings, floors, or stairs). A weighted average rate (based on each county's total 2004 Wx allocation) was used for agencies that have multiple counties with different rates (El Dorado, CUI, North Coast, CRP, Central Coast, & SHHIP).

Column 2 - Benefits include health, vacation, sick leave, retirement, OASDI, unemployment insurance, etc. Calculation: Column 1 multiplied by 1.30. Taken from the U.S. Department of Labor's Employer Costs for Employee Compensation - March 2004 (Wages 70% + Benefits 30% = 100% Total Compensation (after removing workers' compensation)).

Column 3 - Taken from the Occupational Employment Statistics Survey Results as released by EDD in June 2004 (SOC Code 49-1011: First-Line Supervisors/Managers of Mechanics, Installers, and Repairers - Supervise and coordinate the activities of mechanics, installers, and repairers). A weighted average rate (based on each county's total 2004 Wx allocation) was used for agencies that have multiple counties with different rates (El Dorado, CUI, North Coast, CRP, Central Coast, & SHHIP).

Column 4 - Additional hourly rate by factoring in the ratio of 3.23 Basic Crew Members to 1 Supervisor (1 supervisor / 3.23 crew = 31%). Calculation: Multiply Column 3 by 31%.

Column 5 - Taken from the Occupational Employment Statistics Survey Results as released by EDD in June 2004 (SOC Code 43-9999: Office and Administrative Support Workers, All Other - All office and administrative support workers not listed separately). Used the California Statewide hourly rate for this column because this occupational title was not listed for every county.

Column 6 - Additional hourly rate by factoring in the ratio of 3 Basic Crew Members to 1 Support Staff (1 support / 3 crew = 33%). Calculation: Multiply Column 5 by 33%.

Column 7 - Base hourly rate without benefits. Calculation: Sum of Column 1 + Column 4 + Column 6.

Column 8 - Base hourly rate with benefits at 30%. Calculation: Column 7 multiplied by 1.30. Taken from the U.S. Department of Labor's Employer Costs for Employee Compensation - March 2004 (Wages 70% + Benefits 30% = 100% Total Compensation (after removing workers' compensation))

Column 9 - Calculation: Column 8 multiplied by 20%. OE&E includes equipment <\$5k, rent, storage, general expenses, postage, etc. It does not include general liability insurance.

Column 10 - Calculation: Column 2 multiplied by 18%. Downtime includes preparation, no shows, etc.

Column 11 - Fully loaded hourly rate. Calculation: Sum of Column 8 + Column 9 + Column 10.

Column 12 - Current 8% administrative cap that will be moved to an actual charge. Agencies can access funds without conditioning reimbursement on performance of measures.

Column 13 - Current charge built into the \$45 hourly rate that we moved to an actual charge.

Column 14 - Current charge built into the flat hourly rate that is moved to an actual charge.

Column 15 - Create new service charge based on hourly rate. Calculation: 1 hour flat service charge (Column 11) per single family unit completed and \$3 per completed multi-family unit.

Column 15 - Current charge built into \$45 hourly rate that will be moved to an actual charge. (Liability insurance includes general, directors & officers, and crime & professional liability)

Column 16 - Current charges for equipment built into \$45 hourly rate. Actual costs for CSD approved major equipment (>\$5k) will be allowed separately.

In July/August 2006 and every even-numbered year thereafter, CSD will use the most recently available information from the Employment Development Department to update the hourly rates (Basic Crew, Supervisor, & Support Staff) for the upcoming two program years. Under this proposal, no agency shall receive a lower total hourly rate than they received the previous two year period.

	2004 Wx	Basic	Basic Weighted	Supervisor	Sup. Weighted
El Dorado					
Alpine	\$5,547.00	\$14.64	\$81,208.08	\$23.94	\$132,795.18
El Dorado	\$197,058.00	\$15.99	\$3,150,957.42	\$27.51	\$5,421,065.58
Total	\$202,605.00	\$30.63	\$3,232,165.50	\$51.45	\$5,553,860.76
Average		\$15.32	\$15.95	\$25.73	\$27.41

	2004 Wx	Basic	Basic Weighted	Supervisor	Sup. Weighted
SHHIP					
Shasta	\$250,898.00	\$14.08	\$3,532,643.84	\$23.96	\$6,011,516.08
Tehama	\$85,151.00	\$13.18	\$1,122,290.18	\$21.80	\$1,856,291.80
Total	\$336,049.00	\$27.26	\$4,654,934.02	\$45.76	\$7,867,807.88
Average		\$13.63	\$13.85	\$22.88	\$23.41

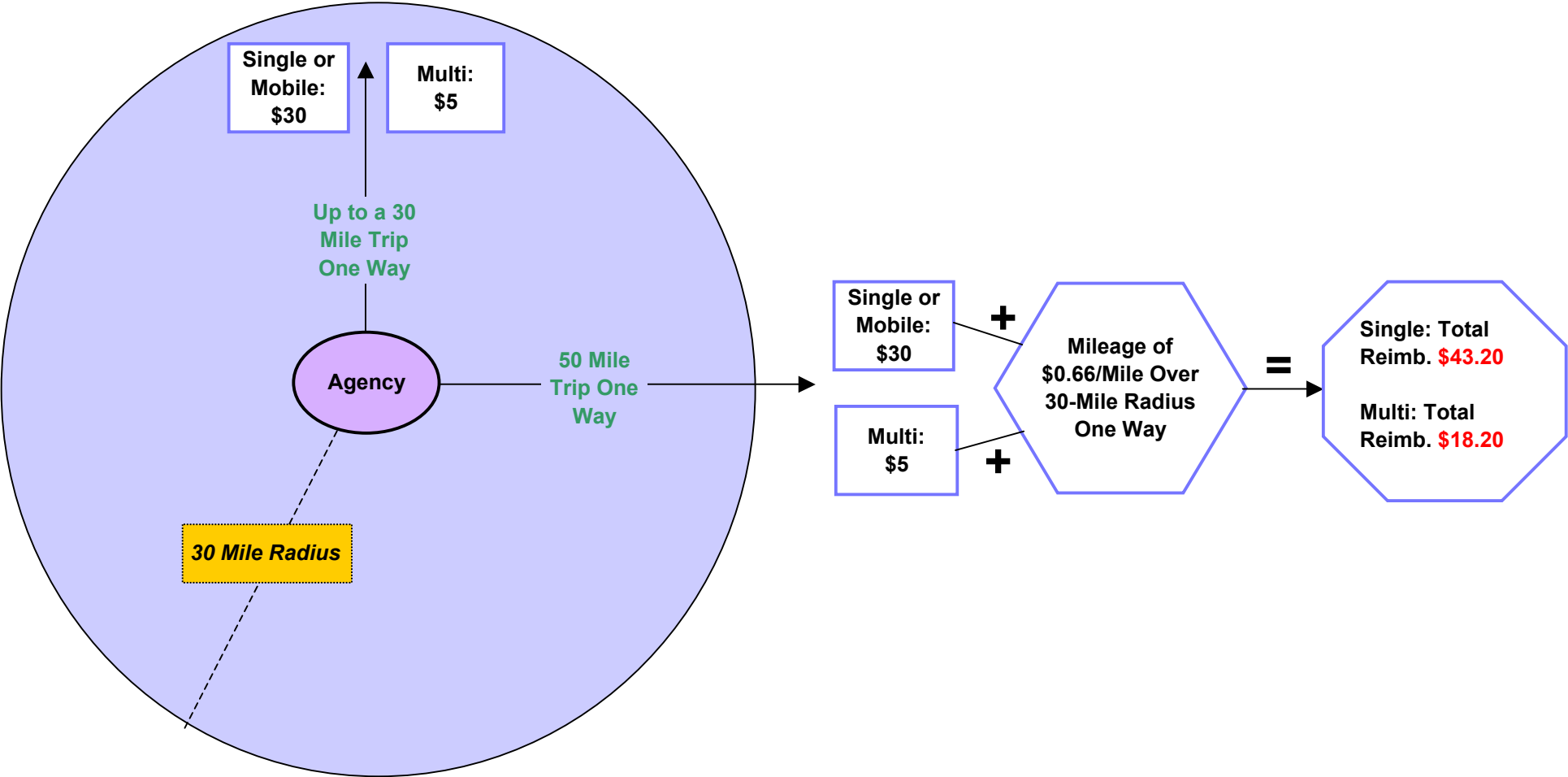
	2004 Wx	Basic	Basic Weighted	Supervisor	Sup. Weighted
CRP					
Sacramento	\$1,088,169.00	\$15.99	\$17,399,822.31	\$27.51	\$29,935,529.19
Sutter	\$86,760.00	\$15.33	\$1,330,030.80	\$22.50	\$1,952,100.00
Yuba	\$92,194.00	\$15.33	\$1,413,334.02	\$22.50	\$2,074,365.00
Total	\$1,267,123.00	\$46.65	\$20,143,187.13	\$72.51	\$33,961,994.19
Average		\$15.66	\$15.90	\$25.01	\$26.80

	2004 Wx	Basic	Basic Weighted	Supervisor	Sup. Weighted
Central Coast					
Monterey	\$335,387.00	\$15.44	\$5,178,375.28	\$26.83	\$8,998,433.21
Santa Cruz	\$202,288.00	\$16.15	\$3,266,951.20	\$26.26	\$5,312,082.88
Total	\$537,675.00	\$31.59	\$8,445,326.48	\$53.09	\$14,310,516.09
Average		\$15.80	\$15.71	\$26.55	\$26.62

	2004 Wx	Basic	Basic Weighted	Supervisor	Sup. Weighted
CUI					
Imperial	\$98,002.00	\$14.20	\$1,391,628.40	\$25.23	\$2,472,590.46
San Diego	\$731,280.00	\$14.81	\$10,830,256.80	\$27.31	\$19,971,256.80
Total	\$829,282.00	\$29.01	\$12,221,885.20	\$52.54	\$22,443,847.26
Average		\$14.51	\$14.74	\$26.27	\$27.06

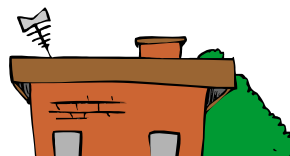
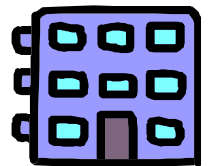
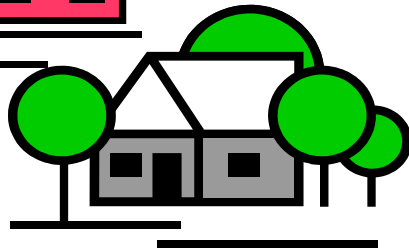
	2004 Wx	Basic	Basic Weighted	Supervisor	Sup. Weighted
North Coast					
Lake	\$157,701.00	\$14.45	\$2,278,779.45	\$24.57	\$3,874,713.57
Mendocino	\$152,255.00	\$14.45	\$2,200,084.75	\$24.57	\$3,740,905.35
Marin	\$100,391.00	\$17.92	\$1,799,006.72	\$31.60	\$3,172,355.60
Napa	\$73,184.00	\$17.39	\$1,272,669.76	\$28.13	\$2,058,665.92
Solano	\$189,323.00	\$17.39	\$3,292,326.97	\$28.13	\$5,325,655.99
Sonoma	\$233,985.00	\$17.58	\$4,113,456.30	\$28.78	\$6,734,088.30
Yolo	\$174,361.00	\$15.90	\$2,772,339.90	\$25.48	\$4,442,718.28
Total	\$1,081,200.00	\$115.08	\$17,728,663.85	\$191.26	\$29,349,103.01
Average		\$16.44	\$16.40	\$27.32	\$27.14

Model of Weatherization Travel Reimbursement for Completed Units

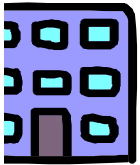


Model of Weatherization Travel Reimbursement for Completed Units

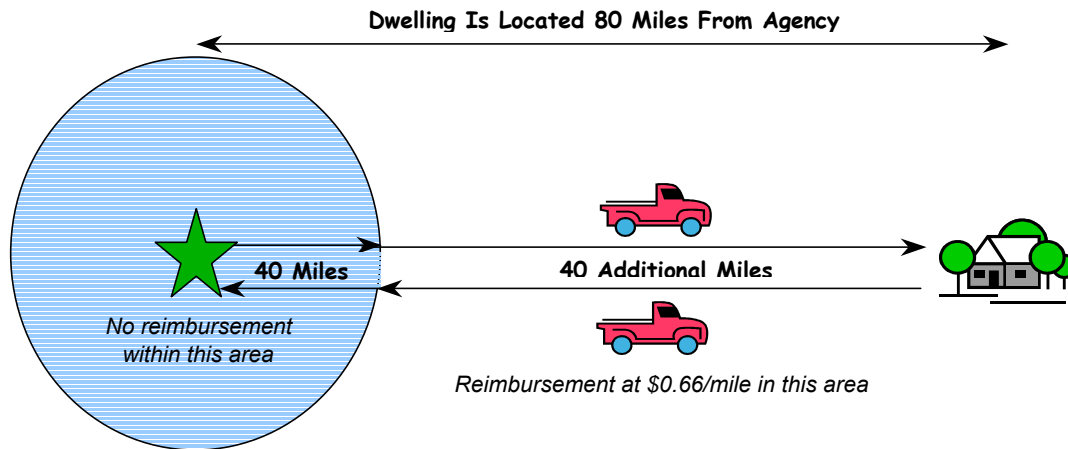






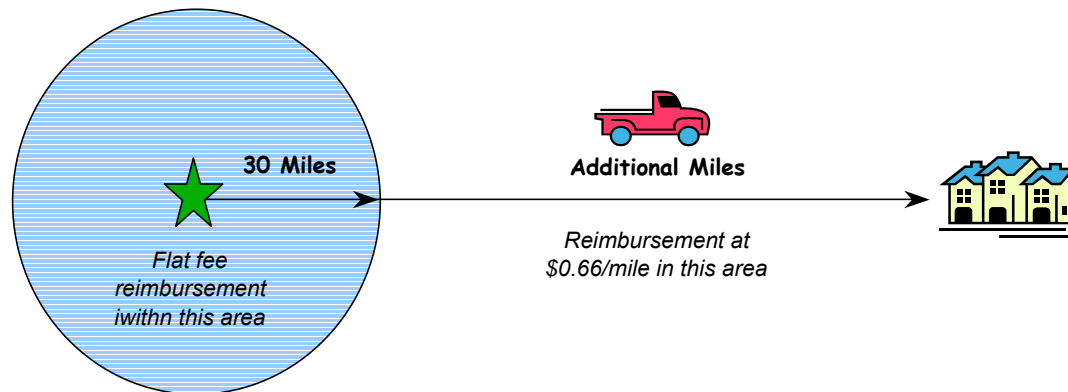


Current Travel Reimbursement Model





Trip to Dwelling	40 miles x \$0.66/mile	\$ 26.40
Trip Back to Agency	40 miles x \$0.66/mile	\$ 26.40
Total Reimburse		<u>\$ 52.80</u>

Proposed Travel Reimbursement Model



Single Unit Travel Fee Rates

One Labor Hour	Per Single Dwelling or Single Residential Dwelling with 2 to 4 Attached Units	
\$ 3.00	Per Unit in Multi-Unit Complex With 5 or More Units	

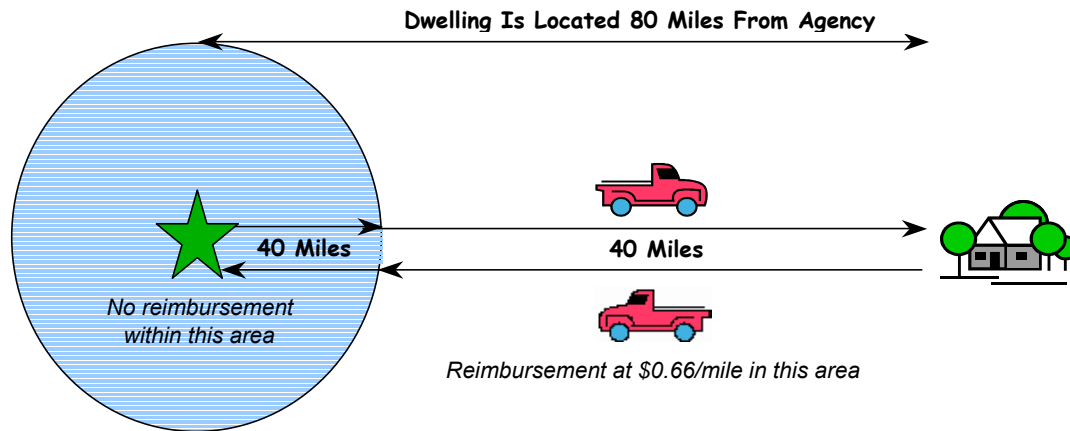
When traveling within 30 miles (60-mile round trip) of the contractor's material storage site to a weatherization dwelling, reimbursement will be a Single Unit Travel Fee of one labor hour per completed unit. This reimbursement may only be taken one time per completed unit.

Example: 30-mile one-way trip (60-mile round trip) to weatherization destination = Single Unit Travel Fee

When traveling more than 30 miles one-way (greater than a 60-mile round trip) from the contractor's material storage site, reimbursement will be \$0.66 per mile for mileage beyond the initial 30 miles in addition to the Single Unit Travel Fee. This reimbursement may only be taken one time per completed unit.

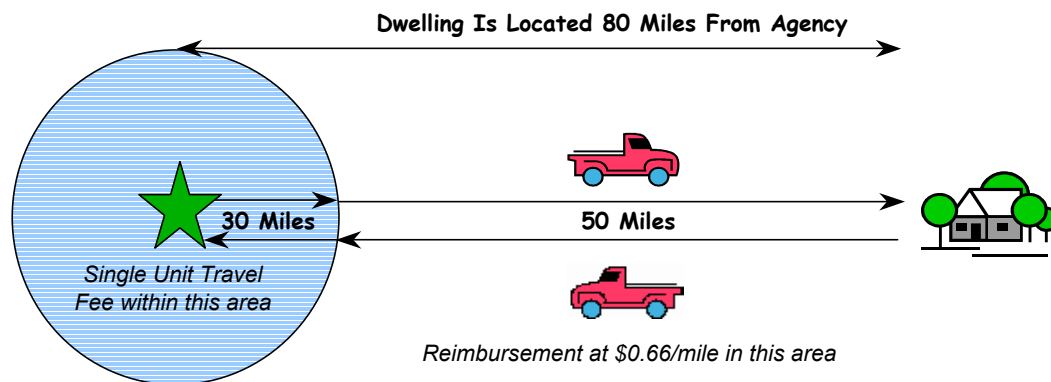
Example: 60-mile one-way trip (120-mile round trip) to weatherization destination = \$39.60 (30 miles x 2 x \$0.66) plus Single Unit Travel Fee

Current Travel Reimbursement Model



Trip to Dwelling	40 miles x \$0.66/mile	\$ 26.40
Trip Back to Agency	40 miles x \$0.66/mile	\$ 26.40
Total Reimbursement		<u>\$ 52.80</u>

Proposed Travel Reimbursement Model



Trip to Dwelling	50 miles x \$0.66/mile	\$ 33.00
Trip Back to Agency	50 miles x \$0.66/mile	\$ 33.00
Single Unit Travel Fee	Hourly rate	\$ 45.00
Total Reimbursement		<u>\$ 111.00</u>

Travel Reimbursement – Current Policy

Current LIHEAP policy provides long distance travel reimbursement to contractors for travel distances in excess of 40-miles from contractor's material storage site. Reimbursement is credited at \$.66 per mile, for round trip mileage in excess of 80-miles round trip. Travel to weatherization units within a 40-mile radius of contractors material storage site is included within the \$45 fixed weatherization labor.

The Weatherization Task Force identified the need to revise the existing travel reimbursement policy, and developed the following travel reimbursement policy recommendation:

Standard Travel Reimbursement – New Policy

Single Family Dwelling (SFD)

Single Family Dwelling (SFD) Unit is defined as a single-family dwelling or single residential housing dwelling with two to four attached units. Contractor would be allowed to claim a single-unit fee travel reimbursement for completed SFD weatherized units. Fee would be based upon one labor hour, and reimbursed directly from the "Direct Weatherization" budget line item (similar to a fixed-fee reimbursed weatherization measure). Fee would cover travel to weatherized SFD units within a 30-mile radius of contractor's material storage site, and limited to one unit fee charge per completed SFD.

Multi-Unit Dwelling (MUD)

Multi-Unit Dwelling (MUD) is defined as residential complex with more than 5-units. Contractors would be allowed to claim a single-unit travel reimbursement fee of \$3.00 for each individual unit weatherized within the MUD complex. Single-unit fee covers travel to the multi-unit dwelling, regardless to the distance of travel, and is limited to one unit fee charge per completed unit.

Long Distance Travel – Single Family Dwelling (SFD)

Defined as travel distance in excess of 30-miles (one way) from Contractor's material storage site. For long distance travel, Contractor would be allowed to claim the single-unit travel fee, plus reimbursement at \$.66 per reimbursable mile. Reimbursable mileage is limited to round trip mileage in excess of 60-miles from the contractor's material storage site and completed weatherized SFD unit. Contractors may claim one long distance trip (single-unit travel fee plus reimbursable mileage) per completed SFD.

ECIP Fast Track

Benefit Determination Policy - Current

Fast Track benefits are designed to assist clients experiencing an energy related crisis with electric and natural gas provided utility services. To qualify, applicant's dwelling must receive energy services and be billed directly by one of the following energy providers: a utility company (-ies) and/or mobile home park that owns its own power source(s), or a submetering billing services with the statutory authority to shut off utility services. In addition, one of the following energy crisis conditions must exist:

- Utility issued disconnection notice
- Termination of natural gas or electric utility services
- Applicant requires assistance with establishing a new energy account
- Energy-related crisis or life-threatening emergency exists within the applicant's household

Note: An emergency energy-related crisis does not exist if the cost of energy is included in the applicant's rent, in which case Fast Track service(s) shall not be made.

Qualifying benefits are determined using a formula that consists of a base payment (HEAP Benefit), plus an additional \$50.00. For example:

HEAP Payment + \$50.00 = Fast Track Benefit

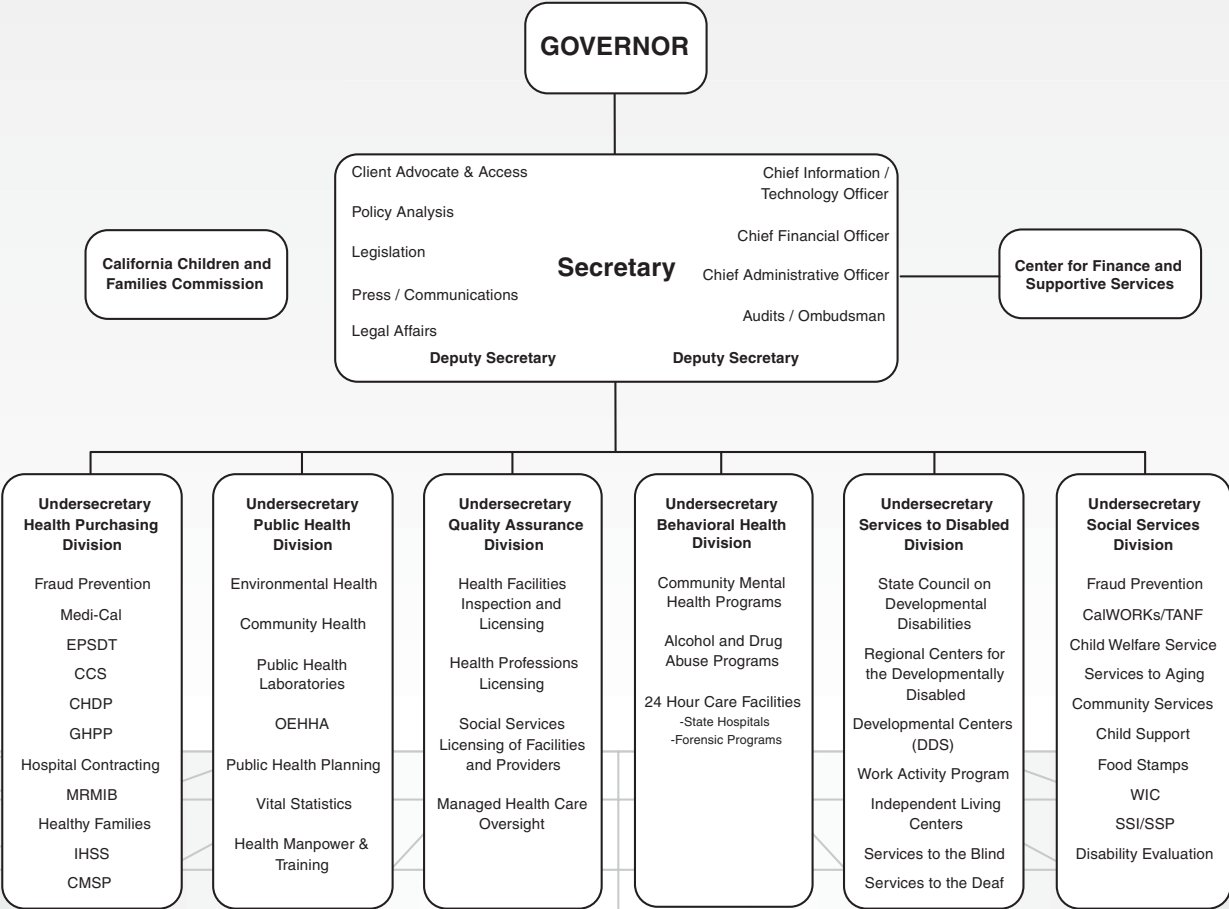
Benefit Determination Policy – Proposed

The current formula for determining Fast Track benefits does not allow for any variation or offer much flexibility in responding to energy crisis situations based on individual circumstances. In efforts to improve crisis services, the department proposes the following modification to the determination of Fast Track benefits:

HEAP Benefit (formula determined) + Supplemental Benefit (agency determined) = Fast Track Benefit amount

- Under this model, agencies would be allowed to determine the amount of the additional benefit assistance for clients.
- The total Fast Track benefit (HEAP Payment and Supplemental) would be limited to and cannot exceed the total of: utility bill arrearages, deposits, reconnection fees, and/or other assessed utility fee.
- Maximum Fast Track benefit - \$1,000
- Agencies would still be required to issue Payment Guarantee pledges to utility service providers
- Proposed implementation – 2005 LIHEAP Contract

Proposed Health & Human Services Department





HEALTH AND HUMAN SERVICES AGENCY

California Performance Review (CPR) *CHHSA Review Process*

In his first State of the State address, Governor Schwarzenegger underscored his commitment to making government more effective, efficient and responsive and called for a rigorous review of government – its performance, its practices and its costs. He subsequently issued an Executive Order establishing the California Performance Review (CPR), which tapped the expertise and experience of state employees, including many from the California Health and Human Services Agency (CHHSA) and its departments, in a systematic examination of the way in which government conducts the public's business.

The CPR culminated in hundreds of recommendations outlined in a report presented August 3, 2004, to the Governor, who has made it clear that he wants as much input as possible, from as many people as possible, before deciding how he will respond to those recommendations. Thus, while the CPR's work has ended, ours has only begun. It is now incumbent upon CHHSA to evaluate the organizational and programmatic proposals within our jurisdiction and provide informed recommendations to the Governor.

Toward this end, CHHSA is utilizing the following process for the review of the CPR's recommendations.

Internal CHHSA Review

Individual Programmatic Reforms – The directors of each department within CHHSA are working with their respective staff to review individual recommendations, analyzing how the proposal puts people first, streamlines operations and saves state funds and determining the best course for implementation. These analyses will be provided to CHHSA.

Proposed Organizational Improvements/Restructure – CHHSA has formed workgroups for each new division recommended by the CPR. In addition, three other workgroups will be formed: Realignment, Aging and Long-Term Care and Shared Administrative Services/General Government Reforms. Each workgroup has been assigned a leader who is responsible for creating a work team that includes staff from each of the affected departments (a list of workgroups and the team leaders can be found at <http://www.chhs.ca.gov/>). The workgroups will be reaching out to stakeholder groups to help inform their review and analysis. The workgroups will also consider how best to implement CPR proposals and whether they improve service delivery, promote better coordination and accountability and save state funds. These analyses will be provided to CHHSA.

External CHHSA Review

In addition to the internal CHHSA review process, stakeholders, advocates and parties who hold an interest in health and human services have been asked to provide feedback on CHHSA recommendations resulting from CPR.

Once the internal and external review processes are complete, CHHSA will submit health and human services CPR implementation recommendations to Governor Schwarzenegger.

Added by CSD: ☐

☐

Please send comments to cprchhs@chhs.ca.gov

CPR Commission Hearing – Infrastructure
 U.C. Riverside
 Friday, August 13, 2004

10:00 - 10:05	Welcome France Cordova Chancellor UC Riverside
10:05 – 10:20	Opening Remarks Governor Schwarzenegger
10:20 – 10:30	Call to Order Bill Hauck and Joanne Kozberg Co-Chairs California Performance Review Commission
10:30 – 10:40	CPR Overview Chon Gutierrez Co-Executive Director California Performance Review
10:40 – 11:00	CPR Infrastructure Recommendations Overview Joan Borucki Team Leader CPR Infrastructure Team
11:00 – 12:00	Transportation Panel Robert L. Balgenorth President State Building and Construction Trades Council of California, AFL-CIO Mark E. Boitano Executive Vice President and Chief Operating Officer Granite Construction Incorporated Professor David Dowall Director Institute of Urban and Regional Development, UC Berkeley Gary Gallegos Executive Director SANDAG David Grannis President Planning Company Associates, Inc.

Bob Wolf
President
Germania Construction Corporation

12:00 - 12:30

Lunch

12:30 - 1:05

Hospital, Housing and School Construction Panel

Terry Bradley, Ed.D.
Superintendent

Clovis Unified School District

Duane Dauner
President

California Healthcare Association

G. Allan Kingston
President/CEO

Century Housing Corporation

James P. Previti
Chairman/Chief Executive Officer
The Empire Companies

1:05 - 2:00

Water and Energy Panel

Joe Canciamilla
Assembly Member
California State Legislature

Steve Hall
President

Association of California Water Agencies

Richard Katz
Consultant

Richard Katz Consulting, Inc.

Jan Smutny-Jones
Executive Director
Independent Energy Producers

Mike Wade
Executive Director
California Farm Coalition

A. Brad Wilkins
Chief Financial Officer
TAMCO Steel

2:00 - 4:00

Public Comment

4:00

Adjourn

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**California Performance Review
University of California Riverside
August 13, 2004
12:30 – 1:05 pm**

HOSPITAL, HOUSING & SCHOOL CONSTRUCTION

Good afternoon, I'm Jim Previti and I am here today representing California home builders.

I am the Chairman & Chief Executive Officer of Empire Companies and have been in the business of land acquisition, home building and commercial development since 1971.

Today I will focus my comments primarily on that part of the report that concerns the financing, approval and delivery of school facilities.

Financing

The Report recommends eliminating the existing system of financing school facilities. I'm surprised at this because in my experience the existing system is working well.

Since 1998, with the passage of Senate Bill 50 – which I'm proud to say the homebuilding industry was a key participant – more new classrooms have been built, more existing facilities have been modernized, and more California students have been “housed” than in any comparable period.

It is my experience that the program for financing the construction of new school facilities is considered a model for how a leading-edge state / local infrastructure financing partnership should look.

For most new school facilities, costs are balanced between the State and homebuilders on a 50-50 basis. The way it works is the state picks up half the cost of purchasing the land, developing the site and constructing the buildings and school districts -- back-stopped by builder contributions -- pick up the other half of the costs.

Moving away from funding real live projects to a per-pupil “entitlement” approach could very well jeopardize what I believe California voters see as a successful and accountable program.

Since 1998, when the new funding program was put in place, the public has approved nearly \$35 billion in state school bonds, the most recent being in March of this year. Granted, asking voters to approve bonds has its risks, but the bond campaigns have been successful because they identify actual facilities in local neighborhoods and communities that will be constructed or modernized as a result. Voters want to know they are getting something tangible. The school facility program has a track record of delivering.

Two years ago, voters affirmed their willingness to go even further and provide the resources for our state-local partnership by approving Proposition 39 which lowered the vote threshold for local school bonds to 55%. Millions of local dollars have been approved since then.

The point I’m making here is that in my experience the existing funding program is working well, has public confidence, delivers product, and is not in need of a dramatic overhaul.

Agency Consolidation

The Report recommends that the state approval process be streamlined and consolidated.

I am generally supportive, and the industry is supportive, of the idea of one-stop-shopping for school facility approval. The only caveat I would offer is that we would want to make sure that the streamlining does not impair the operations of an already effective infrastructure program.

From 1999 through the middle of this year the State has processed, approved and funded over *\$17 billion* in facility needs. By any standard, that is an impressive record. Somebody must be doing something right.

We just need to make sure that the duties and program responsibilities currently carried out are not lost and that in the name of efficiency a consolidated work force is not required to assume an unreasonable workload.

We need to avoid one-stop-shopping from becoming one-shop-STOPPING.

New Ways of Delivering School Facilities

One of the beauties of SB 50 is that it opened up opportunities for creative public / private partnerships for the construction and delivery of new school facilities.

Four years ago, I delivered one of the first “developer built schools” built under the new state program ... Woodrow Wilson Elementary in the city of Corona. The school serves grades kindergarten thru sixth and provides a quality learning environment for 940 students.

A few years later, I built another school in the city of Fontana ... Sycamore Hills Elementary School. That school opened in 2002, serves grades k-6, and is home to nearly 600 students.

I am proud to say that both schools offer a quality learning environment, were built at no cost to the school district, and went online at the same time that the first residents were moving into the new communities.

The beauty of the developer built school is that it is a “team approach” between the developer and the school district. The district brings to the table its professional knowledge of education needs and specifications and the private sector brings to the table its professional knowledge of how to build a quality product and manage the construction process.

Working together in this public / private partnership schools sites can be mutually selected by the district and the developer and integrated as part of an overall community master plan.

The timing of construction can be directly linked to actual students coming from the surrounding housing.

The developer is responsible for ensuring that all the environmental and state agency site approvals are secured. Prevailing wage and labor compliance requirements are complied with and the process mirrors the same process that would occur if the district built the school.

Before the school is finally “turn-keyed” to the district, the district must approve and certify the construction of the school; ensure clean title; and ensure the developer’s compliance with all terms and conditions of construction.

Let me also encourage you as Commissioners to look at ways of enhancing state design standards so that we can serve more children in the school facilities we are building today. Encouraging economies of scale ... particularly taking a second look at the size and scale of the non-teaching station, core facilities would be very helpful in achieving efficiencies in a cost-sensitive way.

Joint Use Opportunities

Another great benefit and efficiency of a developer built school is that significant “joint use” opportunities are available.

As schools sites are identified they can be linked to such things as community parks, libraries, football fields and gyms to ensure that schools become an integral part of the overall community design and fabric.

In my experience, average cost savings can run 20-25% with a developer built school as compared to a district built school.

Some areas where cost-savings can occur include:

- ✦ reducing construction costs by eliminating significant change orders;
- ✦ integrating both on-site and off-site development activities; and
- ✦ blending hardscape and landscape with the surrounding are areas

This is the end of my prepared testimony.

I want to that the Governor and the Commission for allowing me to participate in today’s hearing.

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**Comments of Jan Smutny-Jones Executive Director,
Of the Independent Energy Producers Association,
On the California Performance Review¹
August 13, 2004**

Thank you for the opportunity to present this testimony on the recommendations made in the California Performance Review. I am Jan Smutny-Jones, the Executive Director of the Independent Energy Producers.² I previously served as Chair of the California Independent System Operator (CAISO) from Start-up through January 2001.

The recommendations made in the California Performance Review (CPR), along with steps taken by the Governors office, will send important signals to the investment community that California is serious about energy infrastructure reform. IEP and our members look forward to continuing to work with the Governors Office, the CPR Team, and the various Regulatory Agencies to establish a comprehensive framework for energy infrastructure reform in California.

California has no less than nine different state agencies that deal with energy matters³. This does not include the multitude of federal and local agencies that also govern elements of electricity markets and development including water quality control boards and air resources boards. A stable statewide energy policy and framework, along with state regulatory agencies that make consistent, complementary decisions will provide an environment that will attract needed investment in California.

¹ The California Performance Review (CPR) was issued in July of 2004. IEP's comments focus on the recommendations made in Chapter 4; "Infrastructure: Enabling California to Perform" pages 689-962.

² IEP, a non-profit organization, is California's oldest and largest energy trade association representing the interests of electric generators and certified independent power marketers in California. IEP's members collectively own and operate more than 20,000 MW of installed generating capacity participating in California's competitive markets, and some are involved with new project developments that will operate within the competitive markets. In addition, power marketers are also included within IEP's membership. Other members, consisting of consultants and law firms, provide support services for the industry. These comments reflect the opinion of Jan Smutny-Jones, and do not reflect the opinion of IEP or its individual members.

³ The California Public Utilities Commission, California Energy Commission, Air Quality Management Board, California Independent System Operator, California Electricity Oversight Board, California Power Authority, California Department of Water Resources, California Energy and Resource Scheduling, and the California Coastal Commission.

I hope you will take away the following overall issues that need to be addressed going forward:

- I. **Needed Regulatory Certainty:** The need for regulatory certainty was not overlooked by the CPR. A comprehensive energy policy, and perhaps an agency to consistently implement that policy, would send an important investment signal on the development of all infrastructure needs. Developing and implementing an integrated energy policy with stable rules and procedures are a requirement for providing reliable, clean, low-cost power to California
 - o Limiting the CPUC to its constitutional requirements (ratemaking) and placing all state energy related activities under a new successor state agency should be thoroughly considered.
- II. **Siting of New Generation and Repowering of Existing Facilities:** New generation and repowering of existing facilities is critical to develop needed infrastructure in California. Currently this process resides at the California Energy Commission (CEC). No license issued through the CEC process has ever been judicially overturned. The CEC, or its successor, should continue to facilitate this valued process, but endeavor to streamline and make more efficient the siting process.
 - o The CEC should conduct a managerial audit of its siting policy and procedures. The audit should focus on improving efficiency and reducing permitting costs. This will benefit consumers by allowing new and repowered generation to come online in an expedited manner to meet the growing demand of California.
- III. **Siting and Upgrading of the Transmission System:** A more comprehensive and timely transmission siting process will benefit the citizens of California by providing a more reliable system expanding opportunity to access new

electric supply. The need for a comprehensive, complementary transmission siting process in California is often overlooked. The current process for siting transmission in California has resulted in a system that has not kept up with the demand. In fact there have been several projects that have been extensively delayed and have resulted in unneeded congestion costs and elevated redispatch costs.

- Integrate the overall energy infrastructure siting process by placing the transmission siting authority with the CEC, or its successor, working in coordination with the CAISO.

IV. Natural Gas Infrastructure and Supply A diversified supply of natural gas will allow for a more consistent stable supply and pricing of this important commodity. There have been improvements made to the natural gas transportation system in California; particularly in Southern California. This investment, complemented by other natural gas backbone investments in the west, has created a robust market for natural gas. This benefits consumers by allowing natural gas to be transported from Canada, the Rockies, Texas, the Southwest, and Mexico.

- California should investigate the benefits of Liquefied Natural Gas (LNG) facilities to access additional natural gas supply. LNG facilities will allow for a more diverse supply of natural gas within the state.

General Observations

Needed Regulatory Certainty:

The greatest benefit to establishing a comprehensive agency to address energy issues in California will be regulatory stability. Needed investment will be attracted to California when the rules and regulations are known and there is rational regulatory agency consistently implementing a known policy.

From a planning perspective, a comprehensive state agency will create a transparent process that coordinates utility Least Cost Planning, Integrated Resource Planning, and Requests for Proposals with permitting and siting processes for all state infrastructure needs. From a siting and infrastructure development perspective, a comprehensive state agency could ensure that infrastructure development proposals to go through similar open, transparent, competitive processes in order to insure the best least-cost solution for California consumers and businesses.

Infrastructure Siting:

California must begin to address all state infrastructure issues from a long-term, coordinated, comprehensive perspective. Consumers of California, both large and small, will benefit from a financial and reliability perspective by eliminating the duplicative efforts that exist today within the energy infrastructure planning and development processes. The creation of a consolidated state energy infrastructure entity will eliminate competing state agencies which often provide conflicting policies, and will provide a needed foundation for infrastructure investment in California.

Siting of Generation:

From an overall perspective, the electrical generation siting process in California is fairly successful. However there is room for significant improvements. The siting process in California is costly and overly time consuming. For example, multiple agencies are required to issue permits through the CEC process (air quality, water quality, discharge). The CEC is reluctant to issue a final permit until all the permits are issued. The other agencies are reluctant to issue their permits until the CEC completes its environmental reviews. This creates a "chicken and egg" problem. The CEC should conduct a management audit of its process to encourage more efficient use of time and money.

The siting authority should have an "independent" role in the process, one which carefully assesses the merits of the proposed project. The siting authority should be neutral and objective and not advocate one position over another. The siting process could benefit by continuing to be driven from an "engineering" perspective and focusing on forward-thinking planning.

It would also be helpful for the CEC, or its successor, to look at the state planning aspect from a more comprehensive format. For example, the CEC, along with the California Independent System Operator, should consider identifying areas that they believe, from a reliability perspective, need generation and publish that to the market. This could be forward looking enough to allow for investment and competitive procurement decisions to be made by load serving entities before a crisis situation.

The creation of a comprehensive state energy infrastructure planning process should be complementary to the roles that local governments play. One of the largest issues with the siting of powerplants and other infrastructure is the lack of planning in some cases at the city and/or county level. On the other hand, some counties would like to attract new infrastructure to their communities and should be permitted to do so. For example, currently new thermo power plants/repowers and geothermal facilities must go through the CEC if the net MW exceeds 50 MW. This should be amended if there is a willingness between both the local government and the developer to proceed with a needed project, and if the local government has specific expertise in the matter. Imperial County for example has had a geothermal element in its overall plan for years and has approved 14 geothermal plants in the last 15 years, all of which have been built. Under these circumstances, a county should be able to permit plants within its expertise (such as geothermal) larger than 50 MW. Local governments should have more authority and not be subject to CEC-level regulations if they have an appropriate process already established and are able to conduct siting matters consistent with state law.

The integration of local governments and planning development agencies in the development of a comprehensive statewide infrastructure plan is critical. They should

serve to be coordinated and complementary of one-another. It should be a priority of any comprehensive statewide energy agency to work with local governments to establish state and local standards and procedures that work in concert with one another. Coordination and interaction will help to bring new infrastructure online and available to provide a foundation for the development of a low-cost, clean, reliable fleet of generation.

Siting of Transmission

Unfortunately, the transmission siting process has not benefited from the same successes of the generation siting process. Transmission siting includes several overall components: 1) Overall planning (grid wide) 2) Specific planning (identification of routes, land-use, etc) and 3) Siting. These components currently reside at a multitude of agencies. There should be a "one stop shop" for transmission infrastructure development.

By consolidating long-term demand forecasting, generation siting, and transmission siting within a single California agency, California can plan its future energy infrastructure in a comprehensive and predictable way. Such an approach is important not only to assure that demand is met on a least cost most efficient basis, but also important for attracting investment to meet these needs. This approach may require state legislation to clarify and/or consolidate the roles of the CPUC, the CAISO, and the CEC.

A thorough analysis for new transmission facilities includes an environmental review. Consistent with the California Environmental Quality Act, these responsibilities should also be consolidated at the CEC, or its successor agency, in order to address the overall components collectively. To effectively plan the transmission system, the CEC must ensure that project determinations are made in a timely and efficient manner and must incorporate long-term regional planning criteria that take into account transmission impacts and demand. The CAISO should also participate in this process and provide an independent perspective.

It is also important to recognize the interdependent nature of the transmission system in the West. California is a part of a regional market, with transmission facilities providing access to a variety of regional power sources. While the siting (land-use) jurisdiction resides with the state, much of the ratemaking, operation and planning of the grid is under federal jurisdiction, or preformed by multi-state entities. Like the coordination and complementary action recommended with local government, this new comprehensive agency should work with the appropriate regional and federal agencies as well.

The overall planning process of the CEC, or its successor, should be based on the CASIO transmission planning process. It should also be integrated into the Western Governors Association (WGA) and Western System Coordinating Council (WSCC) to plan for needed upgrades throughout the West. The CEC should also indicate what transmission projects, intrastate and interstate, are needed for California. Transmission planning (state wide) done through the CEC should also consider inputs from the CAISO, CPUC, IOU's, Municipal Utilities, WAPA, adjoining State Regulators and their utilities and all interested parties.

Transmission planning should look at meeting reliability criteria, allowing for the efficient use of facilities, minimizing congestion costs and minimizing market power. A process should be developed that would establish a comprehensive "need" for transmission consistent with federal and state laws such as the California Renewable Portfolio Standard (RPS). The goal should be to maintain our state's economic growth by allowing the most efficient MW to move around the grid on a non-discriminatory basis. The development and administration of the electric transmission system on a non-discriminatory basis will lead to clean, reliable and cost effective infrastructure investment.

Below please find a description of the responsibilities of each agency under a new comprehensive planning and siting process.

California Energy Commission (or its comprehensive successor agency):

- Overall coordination
- Forecasting
- Transmission and generation siting
- Environmental impact reports

California Independent System Operator:

- Operate the grid and conduct the plans on an open access, non-discriminatory basis
- Participate in Intrastate and Interstate transmission siting
- Work with the CEC on Environmental Impact Reports and Environmental Impact Statements.
- Transmission planning, demand forecasting, generation forecasting

Federal Energy Regulatory Commission:

- Maintain existing oversight of wholesale transmission service and rates

California Public Utilities Commission:

- Set distribution rates and terms of retail service including retail access to wholesale markets
- Issue Certificate of Public Convenience and Necessity (CPCN), if necessary, to implement the decisions made by the CEC

Other Infrastructure Development Needs:

In order to build new power plants to meet the growing demand in California, comprehensive planning is needed in the generation, transmission, natural gas, water, and in coordination with local areas. A collective agency that would address these issues from a holistic perspective would expedite the addition of new resources.

Natural Gas Infrastructure

A comprehensive agency that considers the needs and welfare of the entire state is essential to the development of an integrated system. The pipeline system is equivalent to the interstate highway system in which molecules from Canada to Mexico can move freely within the West. Currently the natural gas pipeline infrastructure appears to be sufficient. However, we must begin now planning for expansion based on expected growth. There is an increasingly competitive market for natural gas. Natural gas coming

from Canada has choices about where to deliver; likewise for the Rockies and the Southwest. California must consider providing a stable regulatory environment in order to attract the needed natural gas supply.

The immediate need is not necessarily for pipeline upgrades but for storage facilities that will add needed molecules to the system in times of tight supply. For example, there are LNG facilities that are being contemplated in both California and Mexico that will provide needed molecules into the western gas markets. There are some needed upgrades, especially in the San Diego area that would have to be addressed prior to LNG facilities coming online that will benefit California as a whole, not just southern California. The development of LNG facilities also will rely heavily upon the continued implementation of a stable regulatory environment.



LIHEAP & DOE Weatherization Automation

■ **History**

- CSD Tech. Assessment Process designated this automation as a top priority (i.e., high benefit and high complexity)

■ **Recommendation**

- The Reimbursement Task Force take up the issue of Weatherization Automation

■ **Tasks**

- evaluate current automation needs
- mutually define the desired functionality
- agree on the scope and timeframe
- identify project risks and constraints



LIHEAP & DOE Weatherization Automation

■ **Possible Scope***

Evaluate or develop a web-based software application system (i.e., Extranet) to:

- store dwelling and/or weatherization job data
- track allocations and distributions
- electronically submit weatherization reimbursement request
- facilitate outcome reporting and data extraction

* - Exclude job scheduling and inventory management unless the task force agrees this functionality should be included



LIHEAP & DOE Weatherization Automation

- **Membership**

- Retain current cross representative participants
- CSD staff

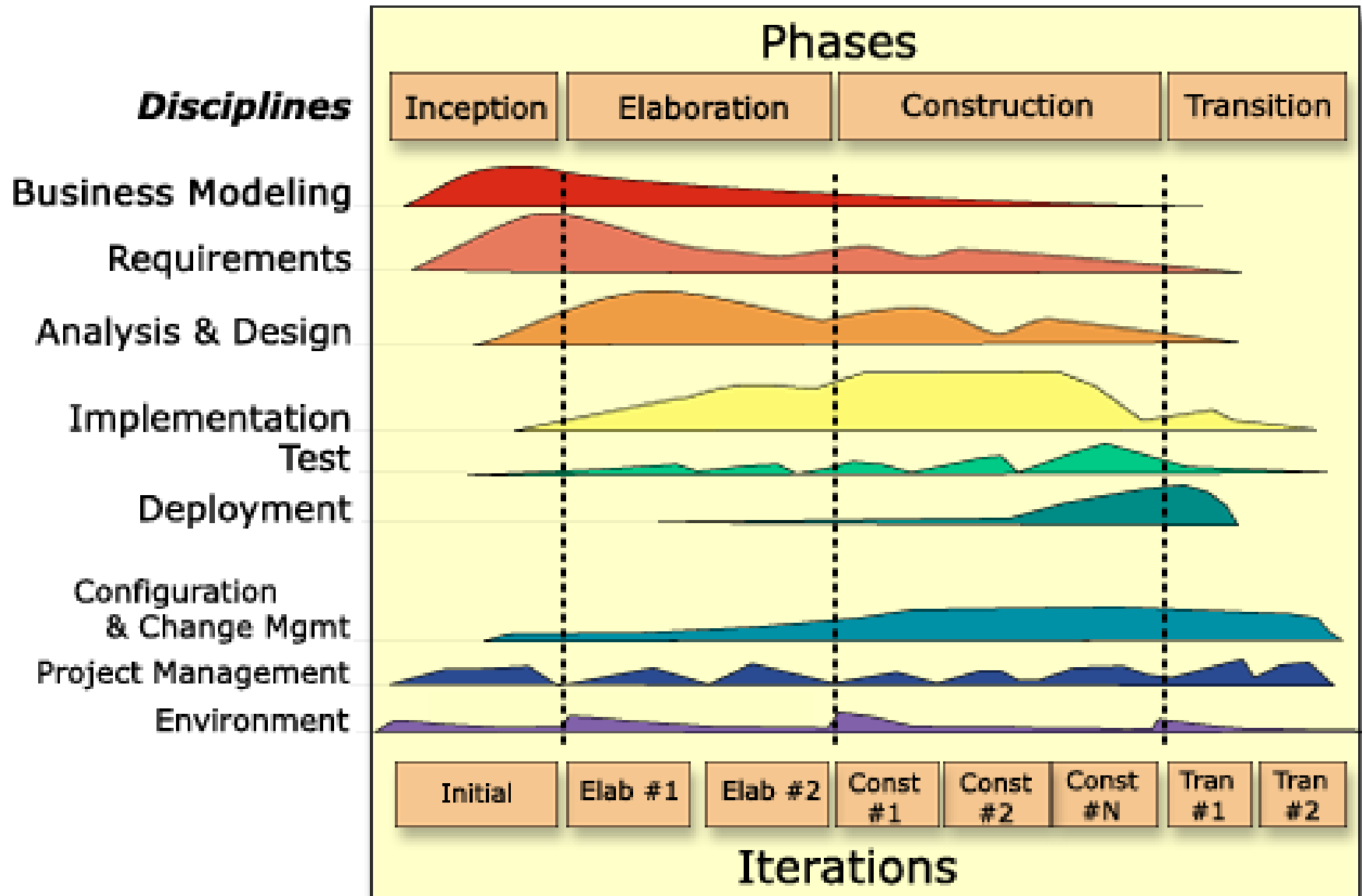
- **Tentative Task Force Timeframe**

- October 2004 through January 2005

- **Methodology**

- Standardized methodology and best practice to follow when developing new software application systems
- Chart to explain in more detail (i.e., next slide)

Software Development Life Cycle





LIHEAP & DOE Weatherization Automation

■ **Activities Underway**

- CSD's internal cross representative team is producing a summary level process diagram of the Weatherization process/work flow
- Evaluate other States efforts in this area
- Monitoring activities with CCES software upgrade
- Explore on-line meeting software choices

■ **What's Next?**

- Confirm Task Force participants for project scoping, then select Sub-Committee to do software requirements definition
- Prepare a status or report the Task Force recommendations
- Complete feasibility analysis for adopted project
- Decision to build or buy software to meet requirements

PROPOSAL TO ESTABLISH A CLASS USER GROUP

Proposal: Establish a standing CA LIHEAP Automated Services System (CLASS) User Group. CSD Information Technology Services (ITS) needs a group of CLASS users to provide ongoing input and feedback as application changes are made a result of the Business Technology Assessment (Tech Assessment). Several initiatives were identified in the Tech Assessment that will effect CLASS (including updating CLASS reports, CLASS data extraction and the addition of WPO). The user group focus will be to assist CSD in gathering agency requirements as they pertain to each of these enhancements.

Responsibilities: The group functions include:

- open dialog to brainstorm ideas and suggestions to modify CLASS in the areas that were identified in the Tech Assessment
- obtain information from agency network as needed to share user insight, challenges, and experiences
- disseminate information regarding proposed CLASS enhancements and foster user-to-user communication within the agency network

Goals: The goal of this group is to assist CSD to determine:

- end user requirements for the CLASS enhancements identified
- identify enhancements that will have the most positive impact to end users

Collaboration: The group will consist of CSD business analysts, developers, and all levels of CLASS users such as intake workers, agency CLASS supervisors, etc.

Meeting Frequency: Meetings may be held once a month or as needed. Meetings may be on-site at CSD or via conference call.

Volunteers:

Agency	Name	CLASS Status
Central Coast Energy Services	Dennis Osmer	File Transfer
Calif. Resources Planning	Joan Graham	File Transfer
Contra Costa County	Todd Holt	Online User
Glenn County	Karen Hansen	Online User
North Coast Energy Services	Linda McQueen	Online User
CAA of San Mateo	Greg Redican	Online User